

WORKING CAPITAL GUARANTEE PROGRAM

PRIORITY LETTER PROGRAM LETTER OF UNDERSTANDING

(DATE)

Lender: (NAME OF LENDER)
(ADDRESS)
(ADDRESS)

Attention: (NAME)
(TITLE)

Dear (NAME):

The Priority Lender Program ("PLP") was established by the Business Credit Division (formerly United States Division) of the Export-Import Bank of the United States ("Ex-Im Bank") under the Working Capital Guarantee Program ("WCGP" or the "Program") in order to facilitate and expedite the processing of final commitment applications submitted by a lender with approved PLP status ("Priority Lender"), and in recognition of the fact that there is a duplication of the analytical efforts made by Ex-Im Bank and the Priority Lender. An application submitted by a Priority Lender in connection with a Guarantee of a Loan Facility will be reviewed by Ex-Im Bank and processed within ten (10) Business Days from the date a **complete** application package (as set forth below) is received by the Business Credit Division.

Ex-Im Bank will consider a variety of factors in acting on a Lender's request to obtain Priority Lender status. These will include, among other things: the Lender's ability and resources to service the Loan Facility; the Lender's prior favorable experience under the WCGP; and the demonstrated level of the Lender's commitment to the Program. However, the Priority Lender will not be required to have had previous lending experience with the Borrower or exporter as a condition of Ex-Im Bank acceptance.

Accordingly, Ex-Im Bank hereby offers Priority Lender status subject to the terms and conditions of the Master Guarantee Agreement and all related documents, and the conditions contained in this Letter of Understanding, which follow:

1. For each Loan Facility, the Priority Lender will submit a complete application package in form and substance satisfactory to Ex-Im Bank ("Application"). Any Application which is determined by Ex-Im Bank to be incomplete will be processed in the normal course of business. The Application will contain, among other things: an Application form; the \$100 non-refundable Application fee payment; the Priority Lender's credit analysis memorandum with supporting documentation approved by its appropriate lending committee subject only to Ex-Im Bank's approval of a final commitment; a current credit report from a credit agency; and other documentation relevant to the request. Any information received by Ex-Im Bank included in the credit analysis memorandum, or otherwise, will be treated by Ex-Im Bank as confidential. In order to obtain more uniform Applications, attached as Appendix I is an outline of a credit memorandum which includes specific provisions to be incorporated in detail into a **complete** Application.
2. The Priority Lender may submit for Ex-Im Bank's consideration an Application for each eligible and creditworthy Borrower in an amount not to exceed \$5,000,000.
3. The Priority Lender shall identify a minimum of two contact persons who shall have attended Ex-Im Bank's one-day Priority Lender training seminar on the WCGP. This one-day seminar will be conducted in conjunction with Ex-Im Bank's regular three-day seminars. The Priority Lender shall promptly notify Ex-Im Bank of a change of status of individuals so designated, and shall identify a replacement contact, who shall also attend the training seminar.
4. Prior to obtaining Priority Lender status, the Priority Lender shall provide Ex-Im Bank with a copy of its most current annual report (and annually thereafter).
5. Prior to obtaining Priority Lender status, the Priority Lender shall have successfully completed and made operative at least two transactions under the WCGP.
6. Ex-Im Bank or the Priority Lender may terminate this Letter of Understanding upon thirty (30) days prior written notice, provided that such termination will not affect the validity or continued effectiveness of any transaction approved by Ex-Im Bank prior to said termination.
7. Ex-Im Bank reserves the right to delete, modify or supplement any condition of this Letter of Understanding as it deems appropriate. In such event, Ex-Im Bank will notify the Priority Lender in writing stating the change and its effective date.
8. Upon compliance with, receipt and acceptance of the foregoing, including a **complete** Application, Ex-Im Bank will process the Application in not more than ten (10) Business Days.

9. Without specific written authorization from Ex-Im Bank, the Priority Lender shall not act as an agent of Ex-Im Bank in the issuance and servicing of Ex-Im Bank Loan Facilities, loans, guarantees, insurance, coinsurance, reinsurance or the adjustment of claims arising thereunder, and the Priority Lender is not authorized to act for or on behalf of Ex-Im Bank with respect to any of these matters. Further, the Priority Lender shall not make any representations or statements or take any action which would create a reasonable presumption or conclusion that it is acting as an agent for Ex-Im Bank.

Please indicate your acceptance of the foregoing conditions contained in this Letter of Understanding by signing and returning to Ex-Im Bank the enclosed copy.

EXPORT-IMPORT BANK OF THE UNITED STATES

By:

Sam Z. Zytcer
Vice President
Business Credit Division
(formerly United States Division)

Agreed and accepted this _____ day of _____, _____.

Lender: (TYPE IN LENDER NAME)

By: _____
(Signature)

(Print or Type)

Title: _____
(Print or Type)

Contact Person: _____

Contact Person: _____

Title: _____

Title: _____

Telephone No.: _____ Telephone No.: _____

Telefax No.: _____ Telefax No.: _____